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The author is well equipped to analyze the causes and conditions of economic crises, having already published *The History of Economic Crises in England, 1640 to 1840*, in German (Munich, 1907). The thesis of the book is an extension of that of Rodbertus that capital takes a constantly increasing proportion of the annual production of any country, that the capitalists have to invest a large part of their profits in new capitalistic enterprises, that effective demand for commodities does not increase at the same rate, and that under the present régime there must therefore recur times of over-capitalization and over-production ending in a crisis.

The introduction contains an able criticism of parts of the writings of Sismondi, Malthus, Lauderdale, and others who have treated of crises. Part I gives the analysis of different kinds of crises; part II deals with the causes of crises, and the author remarks "a crisis of the bourse constitutes the culminating point of an economic crisis; in reality it is an external phenomenon arising at the same time as deep disturbances in the processes of production and distribution." Part III deals with excessive capitalization. The book will repay study for the reasonableness of its contentions and the careful analysis of crises which is given in support of them. It is a pity that the author cannot give more statistics on which to base his closely reasoned arguments. The book contains acute criticisms and appreciations of Lescure, Turgan-Baranowski, Afalian, and others who have written on the same subject in recent years. It also gives many interesting items by the way, for instance, that one of the criteria of crises is to be found in the amount of unemployment, and that this amount does not reach its maximum until at least four years after the crises began.

RALPH R. WHITEHEAD.

COOPER, C. S. *Foreign trade markets and methods*. (New York: Appleton. 1922. Pp. xv, 440. \$3.50.)

DIETZ, A. *Frankfurter Handelsgeschichte*. (Frankfurt: Kaiserplatz, 18. 1921. 80 M.)

Canada as a field for British branch industries. (Ottawa: Dept. of Trade and Commerce, Commercial Intelligence Service. 1922. Pp. 132.)

Is the Middle West interested in foreign trade? (St. Louis, Mo.: National Bank, Research and Statistical Dept. 1922. Pp. 6.)

Official report of the seventh National Foreign Trade Convention. (New York: N. F. T. C. Headquarters. 1920. Pp. xxxv, 863.)

Accounting, Business Methods, Investments, and the Exchanges

Problems in Sales Management. By HARRY R. TOSDAL. (Chicago: The A. W. Shaw Company. 1921. Pp. 637. \$5.)

The author defines sales management, as distinguished from the broader field of marketing, by stating that "sales management is not coextensive with marketing, for the reason that it deals only with those functions which are necessary for the distribution of goods manufactured or purchased for resale."

The problems included in the book are grouped logically in nine divisions:

(1) General administrative policies which may affect sales management itself.

(2) The building or reshaping of the sales organization, in accordance with particular conditions, the relations of sales to other departments, and the selection of personnel.

(3) Research and planning as a basis both for sales policies and sales operation.

(4) Sales policy, relating to the product, to methods of distribution, to prices—discounts, maintenance, and guarantee against decline,—to credit, to advertising and to cancellations, allowances and dealer helps.

(5) Methods used in carrying out these policies.

(6) Managing the sales force—training, compensation, supervision, coöperation and stimulation.

(7) The control of sales operation through accounts, records, statistics and reports.

(8) The financing of sales.

(9) The delivery of the orders.

To a field which is marked by extreme deficiency of organized material suitable either for classroom use or for the guidance of the sales executive, this volume makes two distinct contributions. It supplies, first of all, the problem material which is so valuable for the teaching of the subject, and which is often difficult to obtain in sufficient range. As stated by the author:

To develop the habit of passing judgment and taking action upon the basis of tangible and intangible facts in accordance with correct principles is the goal of scientific business training. It is our conviction that this training—this habit of making decisions upon facts and evidence rather than upon guesswork—can be best acquired through considering and discussing problems of the type which actually confront the business man in the course of his activities.

Second, there is presented to the reader, in organized fashion, a great deal of information of a descriptive sort, concerning the sales practices of a large number of firms in various industries. Hitherto such information has been available, with very few exceptions, only as it has been scattered through current business literature. This lack of organized information has handicapped teachers who did not have extensive business contacts, and has forced many sales managers to depend too much upon personal experience, instead of having accessible the experiences of others in similar situations. Supplementing the material itself is a complete and carefully prepared outline (summarized above) of the entire field of sales management.

The weaknesses of the work are due primarily to its being an initial

effort of its kind. The most serious of these is that in many of its problems the data given are insufficient to enable the reader to visualize clearly the situation which actually existed. It is difficult therefore, to perceive all of the factors which entered into the final decision. The result is that the "solution" to such a problem resolves itself into a statement of advantages and disadvantages, which, while valuable, does not compel the reader (or student) to reach a decision. The necessity of having all essential facts is particularly important in those cases in which the solution may justifiably be an alternative one, dependent only upon personal judgment, and in those cases in which decisions may ultimately hinge upon some seemingly minor points.

The same sort of difficulty is involved in some problems in which variable practice is revealed among firms in the same industry, without any statement of the reasons for variation. For example, in one problem (number 211) statements are made of the practice of ten automobile companies concerning the conditions on which dealer's advertising allowance is based, no two methods being exactly alike. The student is then asked which plan an eleventh company should use. The answer will of course depend upon assumptions which the student will be forced to make, a process which at once robs the situation of its reality, and so weakens to some extent its usefulness as an exercise of judgment.

From the viewpoint either of the teacher or the sales executive, the value of these problems would be greatly enhanced if the actual solutions thereof were available, although the difficulty already mentioned would not necessarily be overcome. If such a key (the publishers have intimated that it is forthcoming, obtainable wherever the book is used as a text) contains any additional factors to be considered, these should be embodied in the text. Also, for the benefit either of the student or the sales manager, a statement of the reasons why a certain decision was reached, would be of exceeding value.

This situation might have been partly met by specific footnote references to published sources, wherever these were available. Similarly, the bibliography, particularly the list of pertinent articles in periodicals, could have been made of more assistance by the simple device of classifying the items listed according to subject-matter.

Another question which may be raised is whether sufficient attention has been given to sales-management problems arising out of the readjustment period, a period which for many firms has meant a complete overhauling of organization, policies, methods and personnel. Some of the problems are concerned specifically with situations of this kind, and a great many others indirectly, but sales executives who read the book will hardly find as much suggestion as they might reasonably expect for their individual problems of readjustment.

Notwithstanding these criticisms this is a noteworthy contribution to the field of sales management, and is the most usable single text available at present.

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NEW BOOKS

ALLEN, C. R. *The foreman and his job. A handbook for foremen and for leaders of foremen's conferences.* (Philadelphia: Lippincott. 1921. Pp. 526. \$3.50.)

Contains chapters on "The foreman and the plant," "The departmental and the work job analysis," "Putting over the supervisory job," "The analysis of the distribution of the working force block into specific and detailed responsibilities," "The analysis of the human factor block," "The detailed analysis of the term relations block," and "The instructing job."

ARMSTRONG, G. S. *Essentials of industrial costing.* (New York: Appleton. 1921. Pp. xiii, 297. \$5.)

Essentials of Industrial Costing treats of "the principles and methods by means of which the cost of production may be derived." The volume contains little that is new, but rather attempts to present the subject-matter so that it may be easily understood and applied. After presenting briefly the necessity, the purpose, and the functions of costing, the author reviews the general types of cost systems and, as well, the methods of accumulating the costs against the product. Separate and well-written chapters discuss the costing of materials and of labor, and several chapters are given to the collection, allocation, and distribution of expense. Illustrations throughout the volume assist in clarifying the text, while typical expense statements show how the various expenses are brought together, and how the distributions are proved to be in agreement with the aggregate expense first obtained.

The author maintains that theoretical economics differs from the technique of business practice, and that *for accounting purposes* interest on capital owned is not a part of production cost. Of this most accountants are thoroughly convinced; many accountants will not, however, agree with Mr. Armstrong that depreciation for cost purposes includes decline in the market value of plant or equipment. Depreciation, for cost purposes, represents *expired capital outlay*, and, regardless of market appreciation or decrease in value of plant or other manufacturing equipment, the product of a given unit of plant must absorb the original cost, less residual value, of that equipment. Market appreciation or fall in price should not enter into the computation for costing purposes.

The tables of horsepower requirements of machine motors, of steam consumption, and of the annual horsepower costs in factory steam-power plants are interesting, and should many times prove of real value to the cost accountant.

One of the most important and most interesting considerations in all costing has to do with the over-absorption or under-absorption of burden due to abnormal production. The author provides an "abnormal business" account which is credited for the monthly or periodical over-absorption of burden, and is debited for the under-absorption of the